



# FY17 IDEA

## Spring Fiscal Workshops

Jackson – April 16-17, 2018  
Pigeon Forge – April 23-24, 2018  
Lebanon-April 30-May 1, 2018

The logo consists of a red square with the letters 'TN' in white, serif font. Below the red square is a thin blue horizontal bar.

**TN**

®

# IDEA Fiscal Updates

# IDEA Part B – Preliminary Allocations

- IDEA FY '19 Part B (Section 611)
  - Estimated Preliminary award - \$243,869,122 (Based on last year's original allocation)
    - Flow through - \$212,679,589 (based on FY '18 flow through)
    - Used current year data for population & poverty but population will be updated in June
    - If there is a cut, there is a possibility that we will be able to use discretionary funds to make up any difference (depending on the size of the cut).

# IDEA Preschool – Preliminary Allocations

- IDEA Part B Preschool (Section 619)
  - Estimated Preliminary award - \$6,708,535  
(Based on last year's - FY '18 - allocation)
    - Flow through - \$4,931,971 (used FY '18 amount as estimate)
    - Used current year data but will be updated in June
    - If there is a cut, there is the possibility that we will be able to use discretionary funds to make up any difference (depending on the size of the cut).

# IDEA Allocation Formula

- The state must award allocations to LEAs as follows:
  - Base payments—the amount the LEA would have received if the State had distributed 75% of its grant for that year (from appropriate year/student counts)
  - From remaining funds, allocate 85% to LEAs on the basis of the relative numbers of children enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction, and
  - Allocate 15% of those remaining funds to those LEAs in accordance with their relative numbers of children living in poverty, as determined by the SEA.

# FY '19 IDEA Allocation Formula

- IDEA Allocations are determined using the following data:
- Base amount:
  - 75% of the 1999 IDEA allocation based on 12-1-98 student counts (611)
  - Total amount available for 611 program is \$66,522,917
  - 75% of the 1997 IDEA allocation based on 12-1-96 student counts (619)
  - Total amount available for 619 program is \$4,900,152

# FY '19 Allocation Formula

- Population Counts:
  - After subtracting base from total flow through, 85% goes toward population
  - 3<sup>rd</sup> month EIS ADM counts for public school students (entire population)
  - Private and homeschooled counts as turned in to the Director of School Choice (preliminary allocation based Dec count/final based on May counts)

# FY '19 IDEA Allocation Formula

- Poverty Counts:

- Remaining 15% of available flow through is allocated to poverty counts
- Majority of information comes from federal poverty data (for the total district) as pulled together by ESSA Fiscal staff
- In some instances, may need to use data from Direct Cert. or Free/Reduced Lunches



# IDEA Allocations for FY '19

- Allocations will be updated in June. In order to assure accuracy of data, LEAs must:
  - Make sure that the 3<sup>rd</sup> month EIS ADM counts for your schools are correct (please lock in the counts as early as possible)
  - Update your private/home school counts in the May survey requested from the director of school choice
  - **These counts will affect your allocations!**

*Changes in allocations for both programs will also mean a change to the private school proportionate share calculation. This will require a revision to the private school page and your budget for IDEA in ePlan.*

# FY '19 Budgets

- Items of Concern:
  - Overuse of the “other” categories when there are specific line items for the expenditures you wish to make. We will be carefully checking these line items in all budgets.
  - In 71200, remember that there are multiple contract line items. Use the one that is most appropriate instead of 399—other contracted services.
  - Inappropriate use of 599 line item. This is not a place to dump multiple expenditures. It is only to be used in rare occasions when there is no other line item which exists to cover the needs of the LEA.

# FY '19 Budgets

- Remember that it is even more important now for all expenditures to be correctly budgeted due to the required per pupil expenditures.
- Make sure that you are consistent in how you budget within both the GP SPED and IDEA budgets.
- Place travel in the correct line item—if travel for LEA staff within the district for reasons other than staff development use 72220-355.
- Any travel, registration costs, consultants, materials and/or supplies needed for professional development activities must be budgeted in 72220-524.

# FY '19 Budgets

- When paying staff to provide professional development activities or to attend PD (stipends) outside of their contracted time, expenditures must be coded in 72220-196.
- Always place OT and PT services as well as any associated materials and supplies in 72220 as these are considered support services instead of instructional services. Any therapy equipment would also be in the 72220 series.
- Budget personnel according to their job duties and not according to the salary schedule you are using. (For example, if paying someone as a teacher but their job is not instructional, do not budget them in the teacher line item.)

# FY '19 Budget

- Make sure you are budgeting materials/supplies and equipment in the correct account code series. The easy way to decide where to place these expenditures is to determine where the appropriate staff using the items would be budgeted.
- Be specific in your narratives for any of the “Other” line items. You must give us enough information to show that the items are appropriately budgeted. Please never only indicate paper, pens and pencils for an explanation of supplies/materials.

# FY '19 Budget

- Make sure that all applicable benefits associated with personnel are included. If there is the possibility of needing a specific fringe benefit during the year, you would be better prepared to have the line item already approved with a minimal amount budgeted.
- Revisions during the year:
  - Remember that you must have prior approval for additional FTEs, equipment of \$5,000 or greater, and/or new line items. If you hire additional staff prior to receiving approval, other funding must pay for the expense up until such time as the revision is approved. This also applies to new line items.

# FY '17 Drop Dead Funds

- **IDEA Part B**

- There are **four (4)** LEAs with funds remaining in FY '17 that need to be expended (as of **4/10/17**)

- **IDEA Preschool**

- There are **27** LEAs with funds remaining in FY '17 that need to be expended (as of **4/10/17**)

***Closely monitor these funds and close them out as soon as possible.***

# Excessive Carryover Funds

- FY '17 Carryover of IDEA Part B 611 (school age) funds:
  - 10 LEAs had a carryover of 50% to 100%
  - 28 LEAs had a carryover of over 25% up to 50%
- FY '17 Carryover of IDEA Part B 619 (preschool) funds:
  - 19 LEAs had a carryover of 50% to 100 %
  - 25 LEAs had a carryover of over 25% up to 50%
- *A carryover of 50% and above is one item from the risk assessment used to determine which LEAs will be monitored.*
- *In the past the state mandated a 25% cap on IDEA carryover in order to reduce the high level of underspent funds. It is possible to reinstate this mandate if necessary.*
- *During monitoring, any LEAs with excessive carryover will be required to develop a spending plan in order to lower the amount of funds carried over from one year to the next.*



# Discretionary IDEA Grants

- The FY '18 grants end on June 30<sup>th</sup> (both Part B and Preschool). Reimbursements must be submitted in ePlan as soon as possible.
- Expenditures are only approvable for services to students during the 2017-2018 school year. Funds should not be expended for items to be used exclusively during the coming year. *(applies to the competitive discretionary grants)*
- We will not approve revisions to the budget to purchase materials, supplies, equipment or to provide professional development which does not impact student improvement during the current year. *(applies to the competitive discretionary grants)*
- An end of year evaluation must be submitted which details how well the LEA accomplished the goals set in the grant application. This could affect whether or not the LEA receives further grant funds. *(applies to the competitive discretionary grants)*

# Discretionary IDEA Grants (continued)

- Grants for FY '19 have been read by members of the Division of Special Populations. Notifications to LEAs on the status of individual proposals are expected to be sent sometime in late May or June. We must have notification of the federal grant award prior to approval.
- If you have a high carryover from the prior year, you should not be requesting competitive discretionary grant funds! Staff are taking excessive carryover into consideration when determining grants to be approved.
- Grants for progress monitoring tools will be determined once all applications are received and entered into a formula workbook.

# IDEA Maintenance of Effort

- Two prong test:
  - Eligibility—The LEA has budgeted an amount that at least equals the last verified amount spent.
  - Compliance—The LEA has expended funds that equal or exceed the previous year's expenditures (either in total or per pupil)
- Exceptions Allowed by Law:
  - Voluntary departure, or departure for just cause, of sped or related services personnel
  - Decrease in enrollment of children with disabilities
  - Termination of obligation to provide high cost programs
  - Termination of costly expenditures for long term purchases
  - Assumption of cost by the high cost fund operated by the SEA

# Maintenance of Effort--IDEA

- Both the General Purpose SPED Budget (used for eligibility purposes) and the State Special Education Expenditure Report (used for compliance purposes) must:
  - Exclude all expenditures for programs/services to gifted students
  - Exclude any expenditures for functionally delayed students that did not qualify under one of the federal categories
  - Be submitted as an official document in ePlan
- The General Purpose SPED budget is required to be submitted with the consolidated application.
- The State Expenditure Report is due no later than September 1 unless a waiver is submitted and approved.

# Maintenance of Effort Issues

- Issues associated with lowering MOE
  - Determine if this will have an effect on Excess Cost Requirements
  - Are you still able to provide FAPE?
  - Is the LEA able to provide all services required by the IEP?
  - Are you working within the guidelines set forth in IDEA Law/Regulations?
  - Remember that if services for eligible students are reduced or minimalized without going through the proper procedures, this sets the LEA up for additional expenditures due to compensatory services, mediation and lawsuits.
  - Make sure that the sped supervisor is involved so that the LEA has all of the facts on why services are being provided and when it is appropriate to make needed revisions.

# Excess Costs

- Provides data to prove:
  - The LEA has expended an amount to meet excess cost requirements as required from the immediate past reporting cycle.
  - The minimum amount necessary to be expended in the current year to meet excess costs requirements.
- Templates are provided to LEAs by the Fiscal Consultants and due no later than January 31.
- Your FY '19 application cannot be approved if excess cost requirements are not met for the prior year. In addition, the LEA will be required to repay funds to the federal government.

# Excess Costs

- These are the costs of special education that are above and beyond the costs of the regular education of students with disabilities.
- Generally requires that the LEA spend in aggregate at least as much on regular education costs for eligible children with disabilities that they spend on non-disabled children at the elementary and secondary level before spending IDEA funds on the excess cost of eligible SWDs.
- Includes all costs: administrative, operational, and instructional for the general education program with the district.
- Be aware are how Maintenance of Effort amounts and Excess Cost affect each requirement.

# High Cost Expenditures

- High Cost forms are due by June 30 and must:
  - Include expenditures from July 1 – June 30 of the current school year
  - Be submitted with all required documentation to prove expenditures shown on each student's form
  - Expended entirely from General Purpose Special Education funds
  - Not include any services to gifted or functionally delayed students
  - Include certification by the Director of Schools which includes an assurance that funds received will be budgeted within 71200 and/or 72220 for auditing purposes



# High Cost

- Two ways to show how these funds are budgeted:
  - During your budget process for the next school year show an expected revenue Federal to State in the amount you expect to receive from high cost funds.
  - Budget at least that amount within the 71200 and/or 72220 account series
  - If your actual amount received is in excess of this amount, an amendment to the GP SPED budget must be made.
  - Otherwise, once the funds are received, amend the GP SPED budget to include those funds within the two SPED account codes as stated above.

# High Cost Documentation

- Cannot accept only a summary of costs—must have the backup documentation.
- If you are submitting a computer printout for personnel costs and all benefits are not included, the fiscal staff must identify the benefit with the associated cost.
- Please **sign and date** any additions to printouts, charts, or other forms.
- Must have copies of invoices, travel records, purchase orders which match the amounts claimed on each student form.

# Private School Proportionate Share

- Amount the LEA must reserve for services to eligible special education students enrolled in private schools or home schooled.
- Amount determined by eligible number of students submitted to State from Dec. 1 report
- Any funds not expended during the first 12 months of eligibility must be carried over for an additional 12 months. If still not expended, the LEA has only 3 months remaining to expend on eligible SPED students in the public schools.

# Private School Proportionate Share for FY '18

- The Proportionate share calculation for FY '19 in ePlan at this time is only an estimated preliminary amount.
- Once allocations are revised, this spreadsheet must also change.
- When the LEA revises the FY '19 budget, the new reserve must also be taken into account within the budget line items used to provide these services.

The logo consists of a red square with the letters 'TN' in white, serif font. Below the red square is a thin blue horizontal bar.

**TN**

**Questions???**

# FRAUD, WASTE or ABUSE

- Citizens and agencies are encouraged to report fraud, waste or abuse in State and Local government.
- NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

**1-800-232-5454**

- Notifications can also be submitted electronically at:

<http://www.comptroller.tn.gov/hotline>



Kathi Rowe  
Director, IDEA Fiscal Management  
OCFO  
Office of Local Finance  
[Kathi.rowe@tn.gov](mailto:Kathi.rowe@tn.gov)  
Phone: 615-253-1987



*Districts and schools in Tennessee will exemplify excellence and equity such that all students are equipped with the knowledge and skills to successfully embark on their chosen path in life.*

**Excellence | Optimism | Judgment | Courage | Teamwork**